25X1A2g **CLASSIFICATION** 

## Approved For Release 2004/03/05/ECVA-RDP82-00487/R00270

## INFORMATION REPORT

CD NO.

CHUNTRY

Hungary

Bloc

Economic Council of the Eastern

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DATE OF INFO. February 1949 25X1X6

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NO. OF PAGES

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- Paul Soltesz, former Hungarian Commercial Attache in Rome, was recalled to Budapest at the beginning of the year to become chief of the Economic Division of the Hungarian Foreign Ministry in order to coordinate the work of this Ministry with the objectives of the new Economic Council of the Eastern Bloc. He collaborates closely with Stefan Friss, chief of the Economic Section of the Hungarian Workers Party, who was present at the founding of the new Economic Council in Moscow during January. Dr. Erno Schmitt-Papp, former head of the Hungarian Restitution Mission in Frankfurt who was expelled from Germany, has now also returned to Budapest and is reported to be working with Soltesz.
- 2. The former German economic authority for the Balkans, Karl Clodius, is allegedly behind the new Economic Council for Eastern Europe and is exploiting his contacts with his former collaborators in Germany for the benefit of the Eastern Bloc. A certain Hafflinger (fnu), in Frankfurt, who during the war handled patents for new Wehrmacht technical inventions, is in close touch with Clodius and manages to put into Clodius' hands the data and designs of technical devices which were never patented during the war in order to keep their use secret.
- 3. The top representatives in Switzerland for the Economic Council of the Eastern Bloc are Andras Gal, Ede Hegedus and Burg (fnu) the latter representing the wealthy Goldberg textile group in Hungary who, although not Communists, reportedly donated 500,000 forint to the Hungarian Workers Party.

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DDA Memo, 4 Apr 77

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